

7.06.00.00 - LAND

7.06.01.00 General

Final appraised land value will assume the land to be vacant and ready for development to its most probable highest and best use. Land value will be established in almost all cases by the Market Data Approach.

It is proper to use zones of value due to differing amenities or utilities of portions of the parcel. Examples of zones of value would be illustrated in differences between level and hillside, commercial and residential, or irrigated and nonirrigated portions of an ownership. Differing land values by zone must be supported by comparable data.

Valuation of timber land, agricultural land, government land, and fee-owned public utility properties may be subject to special treatment as noted elsewhere in Section 7.13.00.00.

The effect of existing private expressway access openings on the development potential of the land should be investigated. The reasonable probability of developing such an opening as a future public street connection to and from the interior of the property is a valid valuation consideration.

Retaining walls and utility services necessary for proper use of the land should be included in land valuation.

Certain specific improvements such as agricultural wells, fencing, etc., may be included with land, as described in 7.07.05.00 and 7.07.06.00.

7.06.02.00 Timber Land

Valuation of commercial timber will be based on in-place value of the uncut timber estimated by timber cruise. The value of the timber and the value of cut-over land will be shown separately but totaled in the land valuation. Care must be exercised that proper market consideration is given to possible recreational or residential use of the timbered area.

7.06.03.00 Agricultural Land

Adequately developed agricultural properties such as orchards and vineyards frequently sell on acreage values, considering the state of development and productive capacity of the land as improved. The acreage values in turn need to be converted to hectare unit values. As such, the value of trees, vines, irrigation systems, agricultural wells, fencing, etc., may properly be included as part of the land value. The hectare unit value should reflect adjustment to the comparable data for differences in age, condition, and productive capacity as compared to the subject. If valued by this method, agricultural improvements other than trees and vines will be briefly described under "Improvements" with zero value and the remark that their value is included in the "Land." The description of pumps and motors will include model and serial numbers.

Although Code of Civil Procedure Section 1263.250 requires the valuation of and payment for growing crops when possession is taken before harvesting, it is usually not necessary to make such a valuation in reports prepared for negotiations. The owner will generally be afforded the opportunity to harvest the existing crop.

7.06.04.00 **Valuation of Open Space Land (Williamson Act, Timberland Production Zone, Farmland Security Zone, etc.)**

If the land proposed for acquisition in whole or in part is under contract with a local agency pursuant to the California Land Conservation Act, such contract shall be considered never to have existed for the purpose of valuation in the case of a total acquisition, and disregarded in the valuation of the land actually taken in a partial acquisition. If the remaining land subject to contract will be adversely affected by the acquisition, the value of the damage shall be computed without regard to the contract. While the Williamson Act is being phased out of usage, it is being replaced by specialized zoning districts, such as TPZ, FSZ, and Resource Conservation District. Like the Williamson Act, these specialized zones, acts or districts artificially affect highest and best use, and are to be disregarded in the appraisals. See Government Code Sections 51200-51295 and Acquisition Chapter 8.

7.06.05.00 **Outdoor Advertising Sites**

Where a property is improved with an existing outdoor advertising sign and the comparable sales are not so improved, it will be necessary to analyze the additional contributory value of the outdoor advertising site. Any additional value may take the form of, and require the consideration of, either an interim use, an ancillary use or a highest and best use.

Interim use value is defined as that increment in value which a short-range use, usually not exceeding five years, other than the highest and best use of the property, would contribute to the total value of the property.

Ancillary use value is defined as an additional source of income other than from highest and best use of the property which may or may not influence the economic rent of the dominant use.

Highest and best use is used in the regular appraisal context.

Complete Exhibit 7-EX-10. The value on Line 28 will be carried forward to the Land Valuation portion of the Appraisal Page under the heading of "Contributory Value of Outdoor Advertising Sign Site(s)."

The appraisal will contain sufficient explanation to document adjustments, conclusions, and assumptions, including "Comparable Rental Adjustment Chart" (Exhibit 7-EX-10 pg. 3).

The valuation process described here is usually not used to value sites of outdoor advertising signs removed as a part of the Highway Beautification Billboard Removal Program. A formula method is used by the Region/District Right of Way Billboard Coordinators for that program's site valuations.